

REMEDIATION AGREEMENT

This sets forth a Remediation Agreement as of July 27, 2007 among **FARMERS REALTY, LLC**, a limited liability company with offices at P. O. Box 4844, Syracuse, NY 13221-4844 ("Farmers Realty"); **COUNTRY ACRES FARM, INC.** ("Country Acres"), a Maine corporation having a principal place of business at P. O. Box 655, Hampden, Maine 04444; and **CARL D. McCUE**, with an address of P. O. Box 655, Hampden, Maine 04444 ("McCue")

RECITALS

A. The United States, through the United States Environmental Protection Agency (the "EPA"), filed the Complaint in the above entitled action on January 19, 2007 in which the EPA is seeking, among other things, remediation of alleged problems at real property owned by Country Acres in Penobscot County, Maine (the "Real Property") and more particularly described in a Forbearance Agreement among the parties to this agreement and others dated July 24, 2007 (the "Forbearance Agreement") with respect to the lagoons and potential discharge of waste into waterways as set forth in the Complaint in the Action (the "Environmental Concerns").

B. Country Acres filed an answer.

C. The Real Property contains manure lagoons and other structures or excavations that were intended to address manure disposal for the farm operated by Country Acres.

D. Pursuant to the terms of the Forbearance Agreement Farmers Realty is willing to implement the Remediation Plan, described herein as an independent contractor of Country Acres on the terms and conditions of this Remediation Agreement and the Forbearance Agreement.

NOW, THEREFORE, for \$1.00 and other good and valuable consideration, the adequacy and receipt of which is hereby duly acknowledged, the parties agree as follows:

1. Country Acres hereby authorizes Farmers Realty, at the cost and expense of Farmers Realty, to act as an independent contractor for the purpose of performing the Remediation Plan as described in paragraphs 6-9 below on behalf of Country Acres and to remediate the Environmental Concerns. Farmers Realty is authorized to enter onto the Real Property and take any and all actions which Farmers Realty deems necessary, in its sole discretion, to effectuate the Remediation Plan. Farmers Realty shall have the right, but not the obligation, to take such acts as is necessary to eliminate the Environmental Concerns, whether or not the acts are expressly set forth in the Remediation Plan. Subject to Sections 9(a) and 10 of this Agreement, Farmers Realty shall defend, indemnify and hold Country Acres and McCue harmless from and against any and all claims, causes of action, damages, debts, judgments and obligations, including, without limitation, reasonable attorneys fees, arising from or relating to negligent acts or omissions of Farmers Realty in performing the Remediation Plan.

2. In consideration of the agreement by Farmers Realty to perform the Remediation Plan, Country Acres hereby grants to Farmers Realty for a period of ten years, the right to lease the Real Property or any portion thereof, on the terms and conditions of the Lease Agreement attached as Exhibit "A", which includes an option to purchase the Real Property on the terms set forth in the Lease (the "Lease"). Upon performance of the Remediation Plan, Farmers Realty shall be deemed to have paid the rent as set forth in Paragraph 4 of the Lease. Country Acres and McCue shall defend, indemnify and hold Farmers Realty harmless from and against any and all claims, causes of action, damages, debts, judgment and obligations, including, without limitation, reasonable attorneys fees, arising from or relating to any condition of the Real Property that causes injury or harm to Farmers Realty or any agent, employee or contractor of Farmers Realty

during the performance of the Remediation Plan. Country Acres shall execute the Lease and deliver it to Rudman & Winchell ("Rudman"), counsel for Farmers Realty. Subject to compliance with Section 7 of the Forbearance Agreement, upon delivery by Farmers Realty to Rudman and to Country Acres of a written notice of the exercise of the right to lease consistent with Section 7 of the Forbearance Agreement, Rudman shall deliver the Lease to Farmers Realty and Farmers Realty shall have the right to enter immediate possession of the Real Property.

3. McCue and Country Acres shall cooperate in all respects with Farmers Realty in the performance of the Remediation Plan and within three (3) days after having received requests for execution shall execute all consents, agreements and documents of every kind and description. McCue and Country Acres shall take all other actions requested by Farmers Realty with respect to performance of the Remediation Plan; provided that the costs of any requested action shall be provided by Farmers Realty.

4. The Recitals are deemed to be a part of this Agreement and are incorporated as if fully set forth herein.

5. This Agreement shall be construed in accordance with the laws of the State of Maine.

6. Remediation Plan for the "Old" Lagoon.

a. Farmers Realty, as an independent contractor to Country Acres Farm, Inc., will remove and properly spread or dispose of all materials from the "old" manure lagoon, in order to allow for a complete inspection of the "old" lagoon. All such manure and materials must be managed in compliance with all applicable laws, regulations, and permits, and according to the Nutrient

Management Plan for Country Acres Farm reviewed and commented on by Maine Department of Agriculture, Food and Rural Resources (DAFRR) on July 5, 2007.

b. Farmers Realty, as an independent contractor to Country Acres, will cause a thorough inspection of the "old" lagoon to be conducted, to determine its structural condition and suitability for future use. The inspection shall be conducted by the Natural Resources Conservation Service ("NRCS") or a professional engineer qualified and experienced in agricultural structures and operations (subject to EPA approval), to determine the suitability of the old lagoon for future manure storage, using NRCS design standards as a basis of comparison. The inspection shall be conducted to determine the "old" lagoon's structural integrity and capability to contain manure and water without causing discharges of pollutants to the environment. A report of the findings of the inspections and recommendations for needed improvements and plans for manure management during the period of repairs will be submitted to the United States Environmental Protection Agency ("EPA") and Maine Department of Environmental Protection ("DEP") no later than 14 days after the inspection. Any repairs found to be needed by NRCS or such qualified engineer shall be conducted on a schedule approved by the EPA after consultation with ME DEP, Maine DAFRR and NRCS. Repairs will be made in accordance with NRCS standards, or as otherwise approved by the EPA, after consultation with ME DEP, Maine DAFRR and NRCS. Correction of such conditions will be completed prior to placing further wastes in the lagoon.

7. Remediation Plan for the "New" Lagoon.

a. Farmers Realty, LLC, as an independent contractor to Country Acres, will
agitate the wastes in the new lagoon so as to minimize potential leakage.

b. Farmers Realty, LLC as an independent contractor to Country
Acres will remove and properly spread or dispose of all materials from the "new"
manure lagoon. All such manure and materials must be managed in compliance
with all applicable laws, regulations, and permits, and according to the Nutrient
Management Plan for Country Acres Farm reviewed and commented on by Maine
DAFRR on July 5, 2007. Before any additional manure-contaminated wastes or
process-generated wastes are added to the "new" lagoon, Farmers Realty will
make any repairs to the "new" lagoon needed to prevent future discharges of
pollutants to waters of the United States.

8. Controlling Discharges from the Manure/Silage Pile.

Farmers Realty, LLC, as independent contractor to Country Acres Farm, Inc.,
shall take steps to prevent runoff from the pile of waste silage/manure located next to the
commodity storage bin from entering waters of the United States (e.g. by removing and
properly disposing or spreading the waste silage/manure pile).

9. Remediation Plan for the "Brooks Pit".

a. Farmers' Realty, as an independent contractor to Country Acres,
will remove and properly spread or dispose of all materials now stored in the
manure pit located at the farm of Mr. Roy Brooks in Corinna, Maine. As

described in the Interim Stipulation and Order filed with the Court on February 16, 2007, approximately 340,000 gallons of wastes liquids and semi-solid manure waste were shipped from the "old" lagoon at Country Acres Farm, Inc. to the Brooks manure pit. The materials at the Brooks pit must be managed in compliance with all applicable laws, regulations, and permits, and may be spread according to the Nutrient Management Plan for Country Acres Farm reviewed and commented on by Maine DAFRR on July 5, 2007. The escrow fund or letter of credit in the amount of \$15,000 held by Clifford Goodall, Esq., of Dyer Goodall and Denison, PA, 61 Winthrop St., Augusta, Maine 04430 may be used as needed to satisfy the requirement to spread or dispose of the materials in the Brooks pit.

10. Timetable for Remediation Plan.

a. The parties recognize that prompt implementation the Remediation Plan described in paragraphs 6-10 above is essential. Farmers' Realty will commence implementation of the Remediation Plan upon execution of this Remediation Agreement by Farmers' Realty and Country Acres; provided, however, that Farmers' Realty will not be required to complete the Remediation Plans unless the U.S. District Court enters the Proposed Consent Order described in the Forbearance Agreement (or its substantial equivalent) in the action entitled United States v. Country Acres Farm, Inc., Civil Action 07-CV-0007-B-W on or before August 15, 2007 or such later date as is agreed upon by Farmers Realty and the EPA-. Farmers' Realty shall make every effort to complete the Remediation Plan by October 1, 2007; however, if Farmers' Realty demonstrates in writing to

EPA that all reasonable measures have been taken and the Remediation Plan cannot be completed by October 1, 2007 for reasons beyond the control of Farmers' Realty, EPA will, after consultation with Maine DAFRR and Maine DEP, grant a reasonable extension of time for completion of the Remediation Plan. In any event, the Remediation Plan will be completely implemented by November 30, 2007.

b. Farmers' Realty shall, commencing one week from the date of execution of this Agreement, provide weekly status reports to EPA, which reports shall include, but not be limited to, information indicating how much manure wastes has been removed from the old and new lagoons and Brooks' pit, by volume.

c. Farmers' Realty shall implement the Remediation Plan in a manner that addresses the most significant risks to the environment first, as advised by EPA.

11. Except as noted above, Farmers Realty's obligations under this Agreement are conditioned upon due execution of the Forbearance Agreement by all parties described therein, the approval of the EPA of the Remediation Plan described in Sections 6-10 of this Agreement, and entry of the Consent Order on terms acceptable to Farmers Realty. This Agreement shall be enforceable in accordance with the Forbearance Agreement and Consent Order. All notices hereunder this Agreement shall be given as set forth in the Forbearance Agreement.

12. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns.

13. This Agreement may be executed in several counterparts, but the counterparts shall constitute one and the same instrument.

14. The failure of a party at any time or times to require performance of any provision of this Agreement shall in no manner affect such party's right at a later time to enforce the same. No waiver, modification or limitation of this Agreement shall be effective, except in a signed writing.

Dated: July 24-27, 2007

~~FARMERS REALTY LLC~~

By: Edward W. Bangel
Its: Secretary/Treasurer

COUNTRY ACRES FARM, INC.

By: _____
Its: _____

Carl D. McCue

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